

Payment Rules

Module Guide: Payment Rules

Module Location

Settings > Project > Payment Rules

Module Purpose

The **Payment Rules** module is used to define payment term schemes that can be applied to project contracts. The goal is to create reusable payment rule templates, setting schedules and payment percentages linked to project milestones or progress. This standardizes the billing process and cash flow management for projects.

1. Main View (Payment Rules List)

The main page displays all defined payment term schemes or templates in the system.

View Explanation

- **Filter:** Allows quick searching based on **TermsCode**.
- **Rules List Table:**
 - **TermsCode:** A unique code for each payment rule.
 - **TermsName:** A descriptive name of the rule (e.g., "DP 30% - Final 70%," "Payment per Milestone").

- **TermsPeriod:** The payment duration (days, months).
- **Receivables per Condition:** Indicates if invoicing is triggered by a certain condition or event.
- Currently, the table shows "...data not found...", indicating no rules have been created.
- **Action Buttons:**
 - **Add Payment Rule:** Opens the form to create a new rule.
 - **Delete:** Deletes the selected rule.

2. Add Payment Rule Page

This form is used to define the details of one payment term within a scheme.

View Explanation

- **Payment Rule Code:** A unique code for the payment scheme.
- **Payment Calculation:** The payment duration after an invoice is issued, which can be in days or months.
- **Percentage and total amount:** The percentage of the total contract value to be billed for this term.
- **Enter Payment Rule:** A button to add another payment term to the same scheme, allowing for the creation of multi-stage payment schemes (e.g., Term 1: 30%, Term 2: 50%, Term 3:

20%).

3. Steps to Create a Payment Rule

1. From the main page, click the **Add Payment Rule** button.
2. Enter a unique **Payment Rule Code** (e.g., "DP30-FINAL70").
3. Set the first **Payment Calculation** (e.g., 30 days) and the billing **Percentage** (e.g., 30%).
4. If the payment scheme has more than one term, click **Enter Payment Rule** to add a new row.
5. Repeat step 3 for each payment term until the total percentage reaches 100%.
6. Click **Save**.

4. Integrated Workflow & Business Process

- **Project Contracts:** When creating a new project contract, the sales or project administration team can select one of these **Payment Rule** templates. The payment scheme will be automatically applied to the contract.
- **Milestone-Based Automatic Billing:** These payment rules can be linked to milestones in the **Project Phases** module. When a milestone (e.g., "Testing Phase Complete") is marked as done, the system can automatically trigger the billing process for the corresponding term (e.g., the 2nd term at 50%).

- **Cash Flow Management:** Having structured payment schedules linked to project progress allows the finance department to more accurately project incoming cash flows from projects.
- **Revenue Accounting:** Billing processes triggered by these rules will automatically create relevant accounting journal entries, such as recording Accounts Receivable and Project Revenue.

5. Tips & Important Notes

- Create payment rule codes that are intuitive and easy to understand (e.g., "50-50," "DP20-M3-M6-FINAL").
- Ensure the total percentage of all terms within one payment rule equals 100%.
- This module should be managed by the Finance or Sales department responsible for contract negotiation and billing to ensure consistency and compliance with company policies.

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